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FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2368

USEC BRUSSELS PRIORITY 202

AMEMBASSY COLOMBO PRIORITY

US MISSION GENEVA PRIORITY 443

AMEMBASSY NAIROBI PRIORITY

USUN NEW YORK PRIORITY 752

USOECD PARIS PARIS

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E O 11652: N/A

TAGS: EGEN, UNCTAD, RP

SUBJ: UNCTAD - THIRD MINISTERIAL MEETING OF G-77 - SUMMARY REPORT

REF: STATE 032729, MANILA 2062

1. SUMMARY: AS SEEN FROM PERSPECTIVE OF TWO WEEKS WHICH HAVE PASSED SINCE END OF G-77 MINISTERIAL MEETING IN MANILA, SESSION APPEARS TO HAVE BEEN RELATIVELY NONPOLEMICAL, BUT PRODUCTIVE OF LITTLE IN WAY OF CONSTRUCTIVE FRESH INITIATIVES. ONE WEEK MEETING OF SENIOR OFFICIALS WAS BUSINESS LIKE AND SUCCEEDED IN PAPERING OVER, IF NOT COMPROMISING, MOST DIFFERENCES, PAVING WAY FOR SUBSEQUENT MEETING OF MINISTERS WHICH INDULGED IN CONSIDERABLY MORE RHETORIC BUT ADDED LITTLE TO SUBSTANCE OF FINAL DOCUMENT WHICH EVENTUALLY EMERGED. THIS DOCUMENT REPEATS MOST OF WELL-KNOWN THIRD WOULD POSITIONS ON ECONOMIC MATTERS BUT

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CONCEALS SOME DEEP SEATED DIFFERENCES, PARTICULARLY IN

AREAS OF TRADE IN COMMODITIES. DOCUMENT ALSO FAILS TO REVEAL SOME REAL DIFFERENCES THAT PERSIST BETWEEN BETTER-OFF LDCS AND LEAST DEVELOPED. WITH RESPECT TO BOTH COMMODITIES AND INTERNATIONAL FINANCIAL POLICY, SOME OBSERVERS PROFESSED TO SEE MODERATING INFLUENCE OF CIEC MEETINGS IN PARIS AND OF RECENT IMF MEETING IN JAMACIA. AS COMPROMISE, DOCUMENT THEREFORE IS PROBABLY NOT WHOLLY ACCURATE GUIDE AS TO WHAT DCS MAY EXPECT IN NAIROBI NEXT MAY. OR, FOR THAT MATTER, AT THE MOMENT DURING CIEC MEETINGS. OTHER ASPECTS OF MEETING WERE SKIRMISHES OVER MEMBERSHIP AND LAND-LOCKED VERSUS MARITIME STATES, DEBATE OVER STATUS OF UNCTAD AND LIAISON WITH 19 IN CIEC CONTENT, AND PERFORMANCE OF PHILIPPINE HOST WHICH UTILIZED OPPORTUNITY TO BURNISH THIRD WORLD CREDENTIALS WHILE POLITELY MUTING TIES WITH U.S. END SUMMARY.

2. ORGANIZATION - TWO WEEK MEETING WHICH BEGAN ON JANUARY 26 AND ENDED ON FEBRUARY 7 WAS DIVIDED INTO TWO DISTINCT PARTS, A WEEK-LONG MEETING OF "SENIOR OFFICIALS" FOLLOWED BY THE "MEETING OF MINISTERS" ITSELF. THE FIRST SESSION WAS BUSINESSLIKE AND DID MOST OF THE REAL WORK AND BASIC DRAFTING; THE SECOND WAS MORE POLEMICAL, TENDED TO BECOME SIDETRACKED WITH PERIPHERAL ISSUES, AND DID LITTLE MORE THAN RATIFY THE WORK OF THE OFFICIALS. THE SESSION WAS PRECEDED BY MEETINGS OF THE THREE REGIONAL BLOCKS--AFRICA, ASIA, AND LATIN AMERICA--THE INDIVIDUAL REPORTS OF WHICH FORMED THE RAW MATERIAL FOR THE WORK OF THE SENIOR OFFICIALS.

3. MANILA DECLARATION AND PROGRAMME OF ACTION - WORK OF MINISTER'S MEETING WAS SUMMARIZED IN "MANILA DECLARATION AND PROGRAME OF ACTION" WHICH, AS COMPROMISE DOCUMENT, IS NOT PARTICULARLY REVEALING OF SOME IMPORTANT FUNDAMENTAL DIFFERENCES WHICH CHARACTERIZED THE MEETING. HOWEVER, EMBASSY WAS FORTUNATE ENOUGH TO OBTAIN MUCH OF PRECEDING DOCUMENTATION, INCLUDING THE REPORTS OF THE THREE REGIONAL BLOCKS, AND ISSUE-BY-ISSUE COMPARISON OF THE RESPECTIVE POSITIONS OF THE THREE GROUPS, SOME OF THE SUCCESSIVE DRAFTS OF THE FOUR COMMITTEES INTO WHICH THE SENIOR OFFICIALS MEETING WAS DIVIDED, AND THEIR FINAL REPORTS LIMITED OFFICIAL USE

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TO THE MINISTERS. A COMPARISON OF THE TEXTS OF THESE DOCUMENTS, TOGETHER WITH THE TEXTS OF THE FOUR COMMITTEE REPORTS OF THE MINISTERS MEETING AND THE "PROGRAMME OF ACTION" (WHICH DIFFER LITTLE FROM ONE ANOTHER) ARE REVEALING OF THE DIFFERENCES AMONG THE G-77 AND THE EVOLUTION OF COMPROMISES. THERE FOLLOW OUR COMMENTS ON SOME OF THE NINE PRINCIPAL ITEMS IN THE ACTION PROGRAMME. WE HAVE NOT MADE AN EXTENSIVE STUDY OF THE TEXTS, ALL

OF WHICH HAVE BEEN SENT TO THE DEPARTMENT, AND OUR COMMENTS ARE BASED LARGELY ON CONVERSATIONS WITH MEETING PARTICIPANTS AND OBSERVERS; THESE OBSERVATIONS, WHILE NECESSARILY SUPERFICIAL, MAY NEVERTHELESS BE OF SOME INTEREST.

A. MANILA DECLARATION - THIS APPEARS TO HAVE BEEN NONCONTROVERSIAL AS FAR AS THE PARTICIPANTS WERE CONCERNED AND TO OUR EYE CONSISTS CHIEFLY OF WELL-WORN THIRD WORLD SHIBBOLETHS. SOME OBSERVERS COMMENTED THAT OMISSION OF REFERENCE TO USG GSP OPEC EXCLUSION REPRESENTED MODERATION, BUT THIS REFERENCE LATER APPEARED IN SECTION TWO OF THE PROGRAM OF ACTION IN FULL FORCE. ALSO, WHILE EARLIER DISCUSSION POINTED TO ENERGY (I.E. OIL) AS WELL AS FOOD AS PRIME PROBLEM AREA, ONLY FOOD REMAINED IN FINAL VERSION. THE DECLARATION APPEARED ORIGINALLY AS A DRAFT, LEADING TO SOME SPECULATION THAT IT MIGHT RECEIVE FURTHER MASSAGING IN GENEVA DEPENDING ON THE OUTCOME OF THE PARIS CIEC MEETING. IN FACT, WE ARE TOLD BY PHILIPPINE DFA OFFICIAL, THE DECLARATION WAS APPROVED IN DRAFT FORM ONLY BECAUSE LAST MINUTE WRANGLING ON THE PERIPHERAL ACCESS TO THE SEA ISSUE DELAYED TYPING IN FINAL. DFA LATER PRODUCED THE FINAL VERSION AT ITS LEISURE (FEBRUARY 19).

B. PROGRAMME OF ACTION - COMMENTS WE INITIALLY RECEIVED FROM ALL SOURCES UNANIMOUSLY AGREED THAT THERE WAS NO PROGRAM OF ACTION AS SUCH, BUT ONLY THE FINAL REPORTS OF THE FOUR COMMITTEES. WHILE THESE REPORTS OF THE FOUR COMMITTEES WERE IN FACT ALL THAT APPEARED AT THE FINAL SESSION, THEY WERE SUBSEQUENTLY CONSOLIDATED BY DFA AND RELEASED TOGETHER WITH THE FINAL VERSION OF THE MANILA DECLARATION. A CURSORY EXAMINATION OF THE TEXTS REVEALS A SIGNIFICANT DISCREPENCY ONLY IN LIMITED OFFICIAL USE

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SECTION SIX IN A BRIEF REFERENCE TO ACCESS TO THE SEA.

(1) COMMODITIES (COMMITTEE I)

(A) THE FINAL REPORT, UNLIKE EARLIER VERSIONS, REVEALS NO DIFFERENCES OF OPINION. IT MAKES REFERENCE TO SUCH WARHORSES AS INDEXING AND INTER ALIA CALLS FOR THE ESTABLISHMENT OF A COMMON FUND TO FINANCE STABILIZATION AND STOCKPILING PROGRAMS FOR A NUMBER OF COMMODITIES. IN FACT, WE ARE TOLD BY A NUMBER OF SOURCES, THIS WORDING CANCELS FUNDAMENTAL DIFFERENCES. COUNTRIES SUCH AS BRAZIL AND COLOMBIA (IN THE CASE OF COFFEE) OR ZAIRE (IN THE CASE OF COPPER) HAD NO INTEREST IN SEEING THEIR PRODUCTS INCLUDED IN A GRAB BAG OF OTHERS. A BRAZILIAN OBSERVED HE COULD FORESEE LITTLE IMPROVEMENT OVER THE COFFEE AGREEMENT,

WHICH HAD BEEN HARD ENOUGH IN ANY CASE TO NEGOTIATE.
LUMPING COFFEE WITH OTHER COMMODITIES WOULD PRESENT A
HOPELESS NEGOTIATING PROBLEM. A COLOMBIAN TOLD US HIS
COUNTRY COULD NEVER AGREE TO LIMITATIONS ON ITS COFFEE
MARKETING WHILE LEAVING LEAST DEVELOPED COFFEE PRODUCTS
FREE FROM EXPORT CONSTRAINTS. EVEN AMONG THE AFRICANS, WHO
WERE THE STAUNCHEST PROPONENTS OF THE SCHEME, THERE WAS NO
AGREEMENT ON WHICH COMMODITIES SHOULD BE INCLUDED IN THE
BASKET.

(B) FURTHER, NO FUND WAS ESTABLISHED. PRESIDENT

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MARCOS'S EFFORT TO START THE FUND WITH A PLEDGE OF
\$50 MILLION (WHICH, AN DFA OFFICIAL SUBSEQUENTLY CONFIDED,
THE GOP WOULD PLAN TO BORROW) WAS GREETED POLITELY IN
PUBLIC BUT REGARDED AS A GRANDSTAND PLAY IN PRIVATE.
ALTHOUGH THE PRESS ERRONEOUSLY REPORTED (AND WE EQUALLY
ERRONEOUSLY REPEATED IN MANILA 1850) THAT THE OPEC
COUNTRIES HAD OFFERED \$800 MILLION TOWARD A COMMON FUND

FOR AN INTEGRATED COMMODITIES PROGRAM, THIS WAS NOT SO. THE ARAB OFFER WAS ACTUALLY A CONDITIONED GESTURE TOWARD THE MSAS (SEE BELOW).

(C) AT THE OUTSET OF THE MEETING, THERE WAS CONSIDERABLE SPECULATION ABOUT THE DEGREE OF DISAGREEMENT WHICH MIGHT BE GENERATED BY THE LOME AGREEMENT, WITH THE ACP BENEFICIARY COUNTRIES ON ONE SIDE AND THE LATINS AND THE ASIANS ON THE OTHER. IN PRACTICE, THE DIFFERENCE BECAME THEORETICAL. A SENIOR PHILIPPINE LIMITED OFFICIAL USE

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OFFICIAL TOLD US HE THOUGHT THE GENERAL SENTIMENT WAS TO LET THE ACP COUNTRIES ENJOY THEIR PREFERENCES SINCE THESE DID NOT SERIOUSLY PREJUDICE OUTSIDERS. A BRAZILIAN DELEGATE COMMENTED THAT SGUDY DONE IN BRASILIA SHOWED THAT BENEFITS TO BRAZIL WHICH WOULD RESULT FOR GENERALIZATION OF LOME PREFERENCES WOULD AT BEST BE MEASURED IN A FEW PERCENTAGE POINTS, LEADING HIS GOVERNMENT TO THE CONCLUSION IT WAS NOT WORTH FUSSING OVER.

(2) MANUFACTURES AND SEMI-MANUFACTURES (COMMITTEE I) WE ARE AWARE OF NO SPECIAL ATMOSPHERICS SURROUNDING THIS ISSUE. WE NOTE TWO REFERENCES TO THE US GSP OPEC EXCLUSION, ONE SPECIFIC AND ONE OBLIQUE. SECTION ALSO CALLS FOR GREATER COOPERATION BETWEEN UNCTAD AND UNIDO.

(3) MULTILATERAL TRADE NEGOTIATIONS (COMMITTEE III)-NO COMMENT.

(4) MONEY AND FINANCE AND THE TRANSFER OF REAL RESOURCES FOR DEVELOPMENT (COMMITTEE II)-AT THE OUTSET, IT APPEARED THAT THERE MIGHT BE CONTROVERSY IN THIS AREA. SUPPORT APPEARED FOR A INTERNATIONAL BANK FOR DEBT REDEMPTION (IBRD, CONFUSINGLY ENOUGH), THE CANCELLATION OF DEBTS, ACCEPTANCE BY DCS OF CONCEPT OF "DEVELOPMENT TAX" IN LIEU OF UNCERTAINTY OF AID APPROPRIATIONS, ETC. IN PRACTICE, THE BETTER-OFF LDOS (E.G., BRAZIL, COLOMBIA, THE PHILIPPINES) WANTED NO PART OF SUCH SCHEMES, AND AGAINST THE BACKDROP OF THE IMF JAMAICA MEETING SUCCEEDED IN WATERING THE LANGUAGE DOWN TO THE POINT THAT THIS REPORT WAS THE FIRST APPROVED IN FINAL BY THE MINISTERS. (ALTHOUGH A COLOMBIAN DELEGATE TOLD US EMPHATICALLY THAT JAMAICA WAS A PALLATIVE AND LATIN AMERICA WOULD NOT STAND FOR AN IMF RUN BY DECISIONS PACKED BETWEEN "FRANCE AND THE U.S.") A MEMBER OF THE PHILIPPINE DELEGATION TOLD US THAT HIS COUNTRY AND OTHERS SIMILARLY PLACED WOULD TAKE POSITION AT NAIROBI THAT MSAS WOULD HAVE THEIR BLESSING TO GET WHAT THEY COULD OUT OF DCS, BUT WITHOUT THEIR ACTIVE PARTICI-

PATION. JAMAICA MEETING IN HIS VIEW HAD PULLED THE FANGS FROM THIS ISSUE FOR THE NEXT THREE YEARS AT LEAST. BASIC ISSUE IS TRANSFER OF REAL RESOURCES UP TO 0.7 PERCENT OF GNP, LIMITED OFFICIAL USE

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NOT "FANCY GIMMICKS". HE DID NOT DENY, HOWEVER, THAT CONSIDERABLE RHETORIC MIGHT SURROUND THIS ISSUE AT NAIROBI.

(5) TRANSFER OF TECHNOLOGY (COMMITTEE IV)-NO COMMENT

(6) LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES, DEVELOPING ISLAND COUNTRIES, AND DEVELOPING LAND-LOCKED COUNTRIES (COMMITTEE III)-GROWING DIFFERENCES WERE DISCERNABLE BETWEEN THE BETTER-OFF AND THE LEAST DEVELOPED. THE MOST SERIOUS DIFFICULTY, HOWEVER, WAS DEBATE OVER ACCESS TO THE SEA. HERE PAKISTAN, IN PARTICULAR, TOOK AN ADAMANT STAND AGAINST AFGHANISTAN IN A DEBATE WHICH CARRIED OVER UNTIL THE MORNING OF THE LAST DAY OF THE MEETING AND WAS IN FACT NEVER RESOLVED. OTHERWISE, THE BETTER-OFF APPEARED TO PAY WARY LIP SERVICE TO THE DEMANDS OF THE LEAST DEVELOPED AS THESE STRUCK CLOSER TO HOME.

(7) ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES (COMMITTEE III)- THIS SECTION REFERS TO RESOLUTION 1 (SEE BELOW) AND FOCUSES PRINCIPALLY ON WHAT DCs (BOTH MARKET ECONOMY AND SOCIALIST) SHOULD DO TO SUPPORT SUCH COOPERATION.

(8) TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS (COMMITTEE IV)-NO COMMENT

(9) REVIEW OF INSTITUTIONAL ARRANGEMENTS IN UNCTAD (COMMITTEE IV)- THERE WAS CONSIDERABLE TALK ABOUT STRENGTHENING UNCTAD, INCLUDING PRESIDENT MARCOS'S SUGGESTION TO FORMALIZE G-77 BY TRANSFORMING IT INTO A "THIRD WORLD ECONOMIC SYSTEM" (TWES) AND TO CREATE A "WORLD TRADE ORGANIZATION"(WOTRADO) FROM UNCTAD. THE LATTER SUGGESTION PARALLELED TALK OF CHANGING UNCTAD INTO A SPECIALIZED AGENCY OF THE UN. THESE SUGGESTIONS WERE BALANCED BY SENTIMENT AGAINST A PROLIFERATION OF UN AGENCIES AND BY A BELIEF THAT FORMALIZING UNCTAD WOULD DEPRIVE IT OF FLEXIBILITY AND LESSEN ITS IMPACT. IN THE END, THE MEETING APPROVED TWO DECISIONS TO STUDY THE MATTER AND REPORT AT NAIROBI (SEE BELOW). PRESIDENT MARCOS'S SPECIFIC INITIATIVES BARELY RECEIVED POLITE LIMITED OFFICIAL USE

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ATTENTION.

4. THE MINISTERIAL MEETING PASSED THE FOLLOWING RESOLUTIONS:

A. ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES-
THIS RESOLUTION PROPOSED SUCH STEPS AS A COMPREHENSIVE
MTN AMONG DEVELOPING COUNTRIES, MAXIMIZING SOURCING FROM
OTHER LDS, ETC.

B. THE USE OF ARABIC-ARABIC AS ADOPTED AS A WORKING
LANGUAGE OF G-77.

C. ASSISTANCE TO THE VICTIMS OF THE EARTHQUAKE IN
GUATEMALA- A PRO FORMA EXPRESSION OF SYMPATHY.

D. CONTRIBUTION OF THE PHILIPPINES TO THE COMMON
FINANCING FUND OF THE INTEGRATED PROGRAMME OF COMMODITIES-
AN EQUALLY PRO FORMA EXPRESSION OF APPRECIATION.

E. APPEAL TO THE PRESIDENT OF THE PHILIPPINES TO
PRESENT THE MANILA DECLARATION AND PROGRAMME OF ACTION TO
THE FOURTH SESSION OF UNCTAD-FORMALIZATION OF ALGERIA'S
SURPRISE INVITATION TO MARCOS TO COME TO NAIROBI, WHICH
TO THE SURPRISE OF SOME DELEGATIONS, INCLUDING HIS OWN,
HE ACCEPTED.

5. DECISIONS ADOPTED BY G-77:

A. ADMISSION OF NEW MEMBERS -SEE SPETEL.

B. ESTABLISHMENT OF A SECRETARIAT OF THE GROUP OF 77-
A WORKING GROUP UNDER PHILIPPINE CHAIRMANSHIP WILL STUDY
AND REPORT TO NAIROBI.

C. PROPOSAL TO ESTABLISH AN INTERIM COMMITTEE-TO
BE "STUDIED FURTHER".

D. COORDINATION BETWEEN THE GROUP OF 19 AND THE GROUP
OF 77-SEE SEPTTEL.

E. THE FUTURE ROLE OF UNCTAD-A WORKING GROUP UNDER
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PHILIPPINE CHAIRMANSHIP WILL REPORT AT NAIROBI.

6. ROLE OF INDIVIDUAL COUNTRIES-WE DID NOT GAIN
IMPRESSION THAT MEETING OF MINISTERS FOLLOWED LEAD OF ANY
ONE COUNTRY OR GROUP OF COUNTRIES, PERHAPS BECAUSE MANY

ISSUES HAVE BEEN WELL-DEFINED IN EARLIER MEETINGS AND LANGUAGE HAS BECOME STANDARD. (SEE ALSO PARA 3 OF MANILA 2062). THIS MAY HAVE CONTRIBUTED TO ATMOSPHERE OF CYNICISM AND LACK OF ACCOMPLISHMENT THAT SOME OBSERVERS DETECTED.

A. ALGERIA-PERHAPS THE MOST PROMINENT ROLE WAS PLAYED BY ALGERIA, AS REFLECTED IN ITS LEADERSHIP (UNOFFICIAL) OF THE AFRICAN GROUP, ITS CATALYTIC ROLE IN FORMALIZING COORDINATION BETWEEN THE 19 AND THE 77, ITS SUCCESSFUL SPONSORSHIP OF PLO MEMBERSHIP, AND ITS SURPRISE INVITATION TO MARCOS TO APPEAR AT NAIROBI. WITH RESPECT TO THE LATTER, THE CHILEAN AMBASSADOR TOLD US THAT ALGERIAN MINISTER LAYACHI YAKER MADE THIS OFFER IN WHAT WAS SUPPOSED TO BE A CEREMONIAL SPEECH, WITHOUT CONSULTATION WITH OTHER MEMBERS. HE BELIEVES THAT ALGERIANS WERE TRYING TO WIN OVER MARCOS BY PLAYING ON HIS EGO, ALTHOUGH MARCOS, AS ONE OBSERVER POINTED OUT, ALSO HAS REASON TO IMPROVE HIS IMAGE WITH LEFTIST MUSLIM STATES.

B. THE ARABS- THE ARABS PLAYED A MUTED ROLE. ALTHOUGH BOTH PRESIDENT MARCOS AND PERUVIAN FOREIGN MINISTER DE LA FLOR IN THEIR SPEECHES POINTEDLY METIONED THE

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DESIRABILITY OF MORE EQUITABLE DISTRIBUTION OF ARAB OIL WEALTH, AND WHILE ONE OBSERVER TOLD US THERE WAS MUCH MORE CORRIDOR TALK ON THIS SUBJECT THAN AT PAST MEETINGS, FINAL DOCUMENTS DID NOT SINGLE ARABS OUT. THE ARABS DID OFFER \$800 MILLION TO THE MSAS IN THE CONTEXT OF THE ASIAN GROUP MEETING IN JAKARTA, BUT THIS OFFER WAS PREDICATED ON VENEZUELA JOINING WITH A CONTRIBUTION OF \$200 MILLION. THE LATTER REMAINED SILENT AT THE MANILA MEETING, HOWEVER, AND THE OFFER WAS NOT REPEATED. OTHERWISE, THE ARABS MANAGED TO SECURE DELETION OF REFERENCES TO ANY "SERIOUS ENERGY PROBLEM" AND IN THE MONETARY COMMITTEE WERE ABLE TO AVOID BEING LUMPED WITH WESTERN CREDITOR STATES.

C. PERU-THE PERUVIAN ROLE WAS CURIOUSLY PRO FORMA. FOREIGN MINISTER DE LA FLOR, IN HIS CAPACITY AS OUTGOING PRESIDENT OF THE SECOND MINISTERIAL MEETING, APPEARED IN UNIFORM (WHICH CREATED A POOR IMPRESSION) AT THE OPENING LIMITED OFFICIAL USE

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SESSION, BUT DEPARTED IN MID-WEEK, LEAVING BEHIND COMPETENT BUT COLORLESS TECHNICIANS. WE ARE TOLD BY THE PERUVIAN HONORARY CONSUL GENERAL THAT UNTIL TEN DAYS BEFORE THE MEETING PERU DID NOT EVEN INTEND TO SEND A DELEGATION.

D. P.L.O.-THE P.L.O., WHICH ACHIEVED MEMBERSHIP BY ACCLAMATION DESPITE NOT BEING A STATE, WHILE MALTA AND ROMANIA HAD DIFFICULTY, WAS VERY VOCAL FOR A NEW MEMBER, CHIEFLY IN AN EFFORT TO CONDEMN "RACISM" IN ISRAEL, RHODESIA, AND SOUTH AFRICA. SUCH A MEASURE WAS NEVER FORMALLY INTRODUCED, WHICH A SINGAPORE REPRESENTATIVE ATTRIBUTED TO BEHIND THE SCENES OPPOSITION. HOWEVER, AT THE LAST SESSION, DELEGATES FOUND A CONFERENCE DOCUMENT IN THEIR SEATS WHICH STATED THAT "SEVERAL MEMBERS" HAD URGED PASSAGE OF SUCH A RESOLUTION AND THAT IT WOULD BE RAISED AGAIN AT NAIROBI. THE CHILEAN AMBASSADOR TOLD US "MOST OF US JUST CRUMPLED THE PAPER AND DROPPED IT ON THE FLOOR", AND THE PAPER WAS NOT INCLUDED IN THE FINAL CONFERENCE DOCUMENTATION.

E. THE PHILIPPINES-

(1) THE GOP, IN PARTICULAR PRESIDENT MARCOS, WAS MORE ACTIVE THAN MIGHT HAVE BEEN EXPECTED. THE PRESIDENT'S OPENING SPEECH CONTAINED SEVERAL INITIATIVES, SUCH AS THE "THIRD WORLD ECONOMIC SYSTEM" AND "WORLD TRADE ORGANIZATION".

HE FOLLOWED THIS WITH HIS OFFER TO SEED THE COMMODITY FUND WITH \$50 MILLION. (AS INDICATED ABOVE, THESE INITIATIVES RECEIVED SCANT ATTENTION AND APPEARED NOT TO HAVE BEEN COORDINATED WITH THE CONFERENCE LEADERSHIP.) HE MADE A POINT OF RECEIVING REPRESENTATIVES OF THE 19, AND IN CONFERENCE DOCUMENTATION, G-77 SECRETARY GENERAL (AND GOP DEPUTY FOREIGN MINISTER) COLLANTES SOUGHT TO PLACE MARCOS' IMPRIMATUR ON ARRANGEMENTS FOR COORDINATION BETWEEN THE 19 AND THE 77. FINALLY, THERE WAS HIS SURPRISE DECISION TO APPEAR AT NAIROBI (TO BE FOLLOWED, MFA OFFICIALS TELL US, BY A VISIT TO MOSCOW).

(2) THERE IS NO DOUBT THAT THE PRINCIPAL MOTIVATION WAS TO UNDERSCORE INDEPENDENCE FROM THE U.S. AND TO EMPHASIZE IDENTITY WITH THE G-77 IF NOT THE NON-ALIGNED. ONE JOURNALIST SAID HE THOUGHT NON-ALIGNMENT A DEFINITE LIMITED OFFICIAL USE

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GOAL. A SENIOR MFA OFFICIAL (AMBASSADOR WILFREDO VEGA) SPECIFICALLY TOLD AN EMBOFF THAT GOP IS DELIVERATELY SEEKING A MORE INDEPENDENT ROLE, DISTANCING ITSELF FROM THE U.S. HE SAID HE THOUGHT GOP, AS PRESIDENT OF THIRD MEETING OF MINISTERS, SHOULD BE AMONG THE 19 IN PARIS. U.S. SHOULD INDEED WELCOME SUCH THIRD WORLD INITIATIVES, HE SAID, SINCE PHILIPPINES WOULD BE "VOICE OF MODERATION". CERTAINLY GOP'S PRESENT EX-OFFICIO POSITION IN G-77, ITS CHAIRMANSHIP OF WORKING PARTIES ON ORGANIZATION, AND MARCOS' PLANNED APPEARANCE AT NAIROBI WILL FURTHER THE GOP'S AMBITIONS.

F. CUBA-CUBA APPEARS TO HAVE BEEN RELATIVELY QUIET AT THIS MEETING. ITS DELEGATION HAS HEADED ONLY BY A VICE-MINISTER AND DID NOT TAKE A LEADING ROLE, BEING CONTENT TO LEAVE THAT TO THE VENEZUELAN. WE UNDERSTAND THAT WERE SOME BILATERAL CONVERSATIONS WITH THE GOP.

7. ASSESSMENT-TERMS "SUCCESS" OR "FAILURE" CANNOT BE APPLIED TO THIS MEETING. TO OUR INEXPERT AND UNPRIVILEGED EYE, IT DID APPEAR TO REPRESENT EVOLUTION. DIFFERENCES AMONG THE 77 BECAME SOMEWHAT MORE APPARENT. SENTIMENT THAT OPEC COULD DO MORE SEEMED MORE ARTICULATED, ALTHOUGH NOT TO THE POINT OF CRITICISM. ALSO, THE DISTINCTION BETWEEN THE BETTER-OFF LDCS AND THE LEAST DEVELOPED MSAS SEEMED MORE SHARPLY DEFINED. IN FINANCE AND COMMODITIES, FOR EXAMPLE, THE DISPOSITION AMONG THE BETTER-OFF SEEMED TO BE ONE OF TEMPERING MORE EXTREME POSITIONS AND/OR OF GOING ALONG WITH EXTREME WORKING WITH THE TACIT UNDERSTANDING THAT THIS WAS A HUNTING LICENSE FOR THE LEAST DEVELOPED WITH WHICH THE BETTER-OFF DID NOT NECESSARILY ASSOCIATE THEMSELVES. ALSO, THE JAMAICA IMF

DECISIONS, WHILE CRITICIZED, WERE RECOGNIZED AS PROGRESS THE THE
EXTENT THAT THE SPECIAL COMMITTEE OF THE G-77 ON FINANCE IS AT A
LOSS WHAT USEFULLY TO DO AND WILL NOT MEET AGAIN UNTIL
THE OCTOBER SESSION OF THE IMF/IBRD IN MANILA. WE THOUGHT
WE DETECTED A SIMILAR ATTITUDE WITH RESPECT TO THE CIEC-
IF PROGRESS IS MADE HERE, THERE WILL BE LESS FOR THE G-77
TO DO. THIS MAY CONTRIBUTE NOT ONLY TO THE OBSERVATIONS
OF THE EUROPEAN AMBASSADORS (MANILA 2062), WITH WHICH WE
GENERALLY AGREE, BUT ALSO TO THE ANXIETY APPARENT IN
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MANILA THAT THE 19 NOT UPSTAGE THE G-77, NOR CIEC UNCTAD
ITSELF. NO ONE WITH WHOM WE HAVE TALKED APPEARS WILLING
TO PREDICT WITH CONFIDENCE WHAT THIS MEANS OF NAIROBI;
ON THE OTHER HAND, IT IS PERHAPS A MEASURE OF THIS MEETING
THAT NO ONE, EQUALLY, IS PREPARED TO ASSERT THAT THE G-77
WILL MARCH TO NAIROBI WITH A CLEAR MANDATE. FINALLY, WE
NOTE PARAGRAPH 3 OF STATE 041392 WHICH REFERS TO THE
DISSATISFACTION OF G-77 SPEAKERS WITH DC PERFORMANCE.
THIS SEEMS TO US INEVITABLE AS LONG AS POOR COUNTRIES
BECOME POORER AND TRANSFERS OF REAL RESOURCES FROM DCS
REMAIN, IN THEIR EYES, INADEQUATE. IT IS ALSO A
MEASURE OF THE MANILA MEETING THAT THIS UNDERLYING
SENTIMENT WAS NOT REFLECTED IN GREATER GROUP MILITANCY.
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